

Message Text

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LIMDIS- FOR UNDER SECRETARY COOPER FROM ERNEST JOHNSTON

E.O. 11652: N/A

TAGS: EAIR

SUBJECT: INTERNATIONAL AIR TRANSPORT NEGOTIATIONS

1. FOLLOWING MEMO FROM BROCK ADAMS TO THE PRESIDENT,
DATED MARCH 6, RECEIVED IN DEPARTMENT SHORTLY AFTER YOUR
DEPARTURE.

2. BEGIN QUOTE: I AM VERY CONCERNED ABOUT THE LACK OF
CLEAR ASSIGNMENT OF POLICY AND MANAGEMENT RESPONSIBILITY
FOR INTERNATIONAL AIR TRANSPORTATION WITHIN THE
EXECUTIVE BRANCH. TODAY, THE ROLES OF THE DEPARTMENTS OF
TRANSPORTATION AND STATE, AND THE CIVIL AERONAUTICS BOARD,
ARE NOT CLEAR. THIS HAS LED TO DIFFICULTY IN THE
DEVELOPMENT AND IMPLEMENTATION OF INTERNATIONAL AIR
TRANSPORTATION POLICY, PARTICULARLY WITH RESPECT TO THE
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NEGOTIATION OF AIR AGREEMENTS WITH OTHER NATIONS.

3. YOU WILL REMEMBER A YEAR AGO I RECOMMENDED TO YOU THAT
WE HAVE ALAN BOYD ACT AS AMBASSADOR IN NEGOTIATING THE
BERMUDA 2 AGREEMENT WITH THE BRITISH. THIS ARRANGEMENT WAS
NECESSARY BECAUSE THE BRITISH HAD SERVED NOTICE OF
TERMINATION OF THE OLD AGREEMENT, AND SIX MONTHS HAD GONE

BY WITH AMERICAN NEGOTIATORS ARGUING AMONGST THEMSELVES.
NO PROGRESS WAS MADE UNTIL YOU APPOINTED ALAN BOYD.

4. WHILE THIS DEVICE FOR FOCUSING LEADERSHIP WORKED IN THE NEGOTIATIONS WITH THE UNITED KINGDOM, IT WAS A TEMPORARY EXPEDIENT THAT WE AGREED WAS UNDESIRABLE TO CONTINUE. WE NEED TO DEVELOP A BETTER WAY TO MANAGE THESE INTERNATIONAL AIR POLICY ISSUES WITHOUT CREATING A NEW ORGANIZATIONAL ENTITY IN THE EXECUTIVE BRANCH. I BELIEVE WE WILL CONTINUE TO FLOUNDER AROUND IN THE AIR POLICY AREA UNTIL WE IDENTIFY THE CENTRAL ISSUES AS TRANSPORTATION POLICY ISSUES RATHER THAN FOREIGN POLICY ISSUES, AS HAS IMPLICITLY BEEN DONE SO FAR.

5. ON THE PLUS SIDE, WE HAVE BEEN SUCCESSFUL IN WORKING WITH THE OTHER AGENCIES, USING THE OFFICE OF MANAGEMENT AND BUDGET AS A COORDINATOR, IN DEVELOPING A NEW UNITED

STATES POLICY FOR THE CONDUCT OF INTERNATIONAL AIR TRANSPORTATION NEGOTIATIONS. ALL THE AGENCIES ARE NOW AGREED ON THIS POLICY. NOW THAT THE TIME HAS COME TO IMPLEMENT THIS POLICY, I BELIEVE THAT YOU SHOULD DESIGNATE, IN THE NEAR FUTURE, ONE FOCAL AGENCY TO ACT AS SPOKESMAN AND TO PROVIDE COORDINATION AND LEADERSHIP FOR THE EXECUTIVE BRANCH.
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6. WE HAVE PROBLEMS TODAY WITH THE BRITISH IN OUR CONTINUING NEGOTIATIONS TO TRY TO OBTAIN LOW AIR FARES AND LIBERAL CHARTER ARRANGEMENTS. IN MY VIEW, THE BRITISH ARE EITHER IN BREACH OF THE BERMUDA 2 AGREEMENT OR THAT AGREEMENT IS NOT WHAT YOU AND I THOUGHT IT TO BE WHEN I SIGNED IT LAST SUMMER. WE ARE COMING UNDER CONGRESSIONAL PRESSURE TO EXERCISE OUR RIGHT TO SERVE THE ONE YEAR'S NOTICE REQUIRED TO TERMINATE THE AGREEMENT. I AM INCLINED TO SUPPORT THIS ACTION IF WE DO NOT MAKE PROGRESS IN OUR NEXT TWO-WEEK NEGOTIATING SESSION WITH THE BRITISH, WHICH STARTS NEXT WEEK.

7. WE ALSO HAVE PROBLEMS WITH THE JAPANESE, WHO ARE TRYING TO LIMIT OUR AIRLINE OPERATIONS IN JAPAN AND WHO ARE ALSO PROPOSING AN UNJUSTIFIABLY HIGH INCREASE IN AIRPORT CHARGES, WHICH OUR AIRLINES ARE FACED WITH PAYING. FRANCE AND GERMANY ARE POSING PROBLEMS FOR US IN THE AREA OF CHARTER AIR POLICY AND NEW U.S. SCHEDULED AIRLINE SERVICES. AND THE EUROPEAN COMMUNITY IN GENERAL IS MAKING EVERY EFFORT TO KEEP OUT THE INNOVATIVE LOW FARES THAT OUR AIRLINES, WITH OUR SUPPORT, ARE PROPOSING.

8. I DO NOT WANT YOU TO CONCLUDE THAT THESE PROBLEMS ARE THE RESULT OF ORGANIZATIONAL INEFFICIENCIES AND AN INADEQUATE INTERAGENCY COORDINATING MECHANISM. BUT THESE PROBLEMS PERSIST AND WE APPEAR TO BE SLOW IN RESOLVING THEM. I FEEL THAT THEIR RESOLUTION IS BEING DELAYED BY THE ABSENCE OF AN AIR TRANSPORTATION POLICY SPOKESMAN FOR YOUR ADMINISTRATION.

9. SO FAR, I HAVE REFRAINED FROM COMMENT ON THIS MATTER IN ORDER TO GIVE OUR PEOPLE AN OPPORTUNITY TO COMPLETE NEGOTIATIONS WITH JAPAN, THE UNITED KINGDOM AND OTHER NATIONS UNDER PRESENT INTERAGENCY ARRANGEMENTS (UNDER A 1973 PRESIDENTIAL ASSIGNMENT) WHEREBY THE STATE LIMITED OFFICIAL USE

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DEPARTMENT IS RESPONSIBLE FOR INTERNATIONAL AVIATION POLICY COORDINATION. I HAVE BEEN RELUCTANT TO DISCUSS AVIATION MATTERS DIRECTLY WITH SECRETARY VANCE AND WARREN CHRISTOPHER SINCE BOTH HAVE REMOVED THEMSELVES FROM INTERNATIONAL AIR NEGOTIATIONS BECAUSE OF THEIR FORMER AIRLINE INDUSTRY CONNECTIONS.

10. THERE IS GROWING CONGRESSIONAL CONCERN OVER THE ISSUE OF OUR INTERNATIONAL AIR TRANSPORTATION POLICY AND THE ORGANIZATION OF THE EXECUTIVE BRANCH TO CARRY IT OUT. THERE ARE LEGISLATIVE INITIATIVES BEING PROPOSED IN CONGRESS TO REDUCE OR REMOVE YOUR POWER OVER CIVIL AERONAUTICS BOARD ROUTE AND CARRIER RECOMMENDATIONS IN INTERNATIONAL AIR TRANSPORT. WE FACE HEARINGS ON THESE MATTERS IN BOTH HOUSES OF CONGRESS THIS SPRING.

11. IN ADDITION, I AM BEING CONTACTED BY THE MINISTERS OF TRANSPORT FROM OTHER NATIONS, THE HEADS OF THE INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA), THE HEADS OF EUROPEAN AIRLINES, AND OUR OWN AIRLINES. I MEET WITH THESE PEOPLE FROM DAY-TO-DAY ON PROBLEMS OF INTERNATIONAL AIR TRANSPORTATION. TIME AND AGAIN I HEAR THE COMMENT THAT MORE CLARITY IS NEEDED IN STATEMENTS ABOUT U.S. AIR TRANSPORTATION POLICY, AND THAT NO ONE KNOWS WHO IS THE PRINCIPAL SPOKESMAN FOR THE UNITED STATES IN THE AREA OF AIR TRANSPORTATION POLICY.

12. TODAY THE U.S. GOVERNMENT IS OPERATING UNDER A JUNE 1963 LETTER FROM PRESIDENT KENNEDY TO THE STATE DEPARTMENT ASSIGNING THAT DEPARTMENT A FOCAL ROLE IN INTERNATIONAL AVIATION POLICY. FOR THE STATED REASON THAT QTE INTERNATIONAL AVIATION POLICIES NECESSARILY AFFECT OUR OVERALL RELATIONS WITH OTHER NATIONS. UNQTE IN THAT LETTER, LIMITED OFFICIAL USE

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THEN PRESIDENT KENNEDY SAID THAT HE WOULD QTE LOOK TO THE SECRETARY OF STATE, AS PART OF HIS ASSIGNED RESPONSIBILITIES, TO PROVIDE SUCH A FOCUS OF LEADERSHIP FOR THIS VITAL AREA OF FOREIGN POLICY. UNQTE

13. THIS ARRANGEMENT HASN'T WORKED WELL. THE DEPARTMENT OF TRANSPORTATION WAS FORMED IN 1967 TO COORDINATE TRANSPORTATION POLICIES WITHIN THE EXECUTIVE BRANCH, BUT SOMEHOW THIS FUNCTION WAS OVERLOOKED. THE BASIC PROBLEM IS THAT INTERNATIONAL AIR TRANSPORTATION DEALS WITH TRANSPORTATION AND COMMERCIAL POLICY ISSUES RATHER THAN FOREIGN POLICY ISSUES, AND THE AD-HOC INTERAGENCY COMMITTEE CHAIRED BY THE UNDERSECRETARY OF STATE FOR ECONOMIC AFFAIRS SIMPLY IS NOT WORKING. IT HAS BEEN CUMBERSOME IN ITS OPERATION AND HAS NOT EFFECTIVELY PROVIDED FOR RESOLUTION OF INTERAGENCY DISAGREEMENTS.

14. I BELIEVE IT IS POSSIBLE FOR THE TRANSPORTATION DEPARTMENT TO WORK WITH THE STATE DEPARTMENT TO ASSURE THAT INTERNATIONAL AVIATION MATTERS ARE VIEWED IN THE CONTEXT OF THE OVERALL RELATIONSHIP BETWEEN FOREIGN NATIONS AND THE U.S. MY DEPARTMENT HAS BEEN ABLE TO COORDINATE THE FOREIGN POLICY AND NON-FOREIGN POLICY VIEWS OF THE VARIOUS AGENCIES WHEN ASSIGNED THE RESPONSIBILITY

FOR ACTION ON MAJOR ISSUES. IN THE CASE OF THE OPERATION OF THE CONCORDE SUPERSONIC TRANSPORT INTO U.S. AIRPORTS, DOT SUCCESSFULLY COORDINATED WITH STATE AND NSC TO ASSURE THAT FOREIGN POLICY CONSIDERATIONS HAVE BEEN FULLY BROUGHT INTO THE DECISIONMAKING PROCESS. I WOULD WANT THIS TYPE OF SUCCESSFUL PATTERN OF COORDINATION TO SERVE AS A MODEL FOR OUR FUTURE HANDLING OF INTERNATIONAL AIR TRANSPORTATION POLICY ISSUES.

15. I BELIEVE THAT YOU SHOULD ACT NOW TO ASSIGN LEADERSHIP RESPONSIBILITY FOR INTERNATIONAL AIR TRANSPORTATION

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MATTERS TO THE SECRETARY OF TRANSPORTATION. THIS WOULD MAKE THE DEPARTMENT OF TRANSPORTATION THE LEAD AGENCY IN NEGOTIATING INTERNATIONAL AIR TRANSPORTATION MATTERS, IN COORDINATION WITH THE STATE DEPARTMENT AND THE CIVIL AERONAUTICS BOARD.

16. I WOULD BE PLEASED TO DISCUSS THIS MATTER WITH YOU

AND THE SECRETARY OF STATE. END QUOTE

17. WE WILL BE IN TOUCH WITH YOU IN REGARD TO OUR
REACTION TO THIS MEMO. VANCE

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